

FOR KCC USE:

15-051-25016-00-00

FORM C-1 7/91
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 12-11-99

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SGA? X Yes...No

Must be approved by the K.C.C. five (5) days prior to commencing well.

Expected Spud Date ... 12 ... 15 ... 99 ... AAA Spot NE ... NE ... SE ... SE ... Sec .18 ... Twp .11 S, Rg .19W ... East ... West

OPERATOR: License # 32511
Name: Imperial American Oil Corporation
Address: 10004 W 20th St N
City/State/Zip: Wichita KS 67212
Contact Person: Hal C. Porter
Phone: 316-773-3808

1290 feet from South North line of Section
100 feet from East West line of Section
IS SECTION x REGULAR IRREGULAR?
(NOTE: Locate well on the Section Plat on Reverse Side)
County: Ellis
Lease Name: VADE BELLE UNIT Well #: 18-1
Field Name: Wildcat

CONTRACTOR: License #: 30606
Name: Murfin Drilling Company, Inc.

Is this a Prorated/Spaced Field? yes x no
Target Formation(s): LKC, Arbuckle
Nearest lease or unit boundary: 360'
Ground Surface Elevation: 1999 feet MSL
Water well within one-quarter mile: yes x no
Public water supply well within one mile: yes x no
Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 700' 600'
Surface Pipe by Alternate: x 1 2
Length of Surface Pipe Planned to be set: 1320'
Length of Conductor pipe required: None
Projected Total Depth: 3650'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: well farm pond x other

Well Drilled For: Well Class: Type Equipment:
x Oil Enh Rec Infield x Mud Rotary
Gas Storage Pool Ext Air Rotary
OWWO Disposal x Wildcat Cable
Seismic: # of Holes Other

If OWWO: old well information as follows:
Operator:
Well Name:
Comp. Date: Old Total Depth
Directional, Deviated or Horizontal wellbore? yes no
If yes, true vertical depth:
Bottom Hole Location:

Will Cores Be Taken? yes x no
If yes, proposed zone:

* UNIT CONTAINS SW/4 SEC 17

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

- 1. Notify the appropriate district office prior to spudding of well;
- 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
- 3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
- 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 6. IF AN ALTERNATE II COMPLETION, PRODUCTION PIPE SHALL BE CEMENTED FROM BELOW ANY USABLE WATER TO SURFACE WITHIN 120 DAYS OF SPUD DATE. IN ALL CASES, NOTIFY DISTRICT OFFICE PRIOR TO ANY CEMENTING.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: September 30, 1999 Signature of Operator or Agent: [Signature] Title: President

FOR KCC USE:
API # 15- 051-25016 0000
Conductor pipe required NONE feet
Minimum surface pipe required 620 feet per Alt. (1) X
Approved by: JK 12-6-99
This authorization expires: 6-6-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

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REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API NO. 15- _____

O P E R A T O R _____

LOCATION OF WELL: COUNTY _____

LEASE _____ feet from south/north line of section

WELL NUMBER _____ feet from east/west line of section

FIELD _____ SECTION _____ TWP _____ RG _____

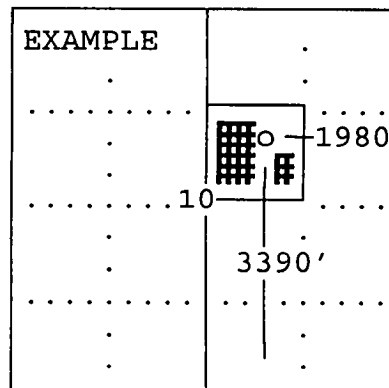
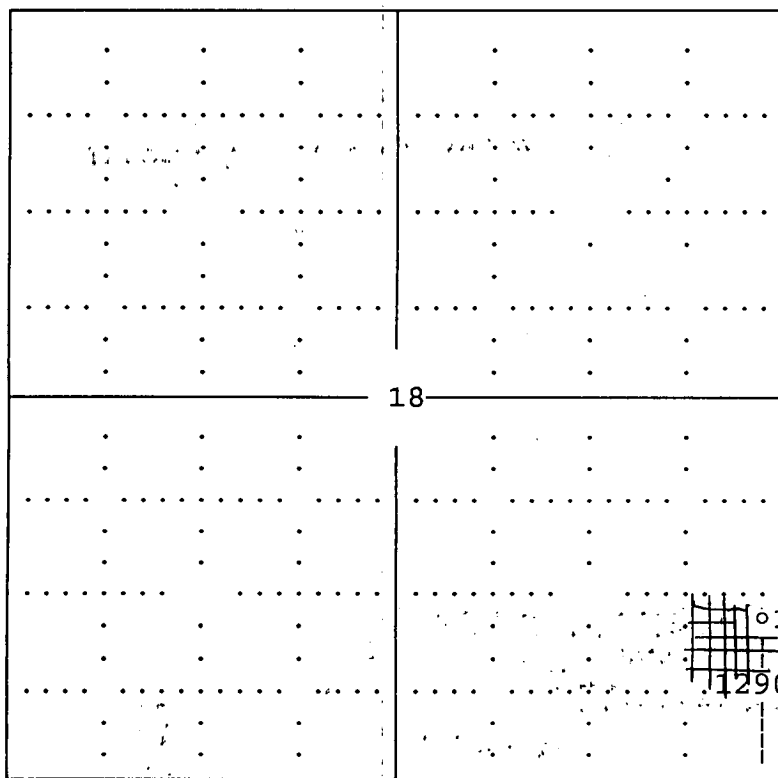
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION _____ REGULAR or _____ IRREGULAR

QTR/QTR/QTR OF ACREAGE _____ **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**

Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)



SEWARD CO.

In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1st section with 8 surrounding sections, 4 sections, etc.;
- 2) the distance of the proposed drilling location from the section's south/north and east/west; and
- 3) the distance to the nearest lease or unit boundary line.

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STATE OF KANSAS }
ELLIS COUNTY }
This instrument was filed for record

NOV 29 1999

8:00 PM
478 of 478 pages 239
Fees 12.00
Registered in
Register of Deeds

DECLARATION OF POOLING AND UNITIZATION

KNOWN ALL MEN BY THESE PRESENTS:

WHEREAS, MURFIN, INC., 250 North Water Street, Suite 300, Wichita, Kansas 67202 and IMPERIAL AMERICAN OIL CORPORATION, 10004 West 20th Street North, Wichita, Kansas 67212, are the owners of the oil and gas leases described on Exhibit "A", attached hereto and made a part hereof, insofar as said leases cover the following lands in Ellis County, Kansas as described herein to-wit:

TOWNSHIP 11 SOUTH - RANGE 19 WEST

Photo MA
Direct MA
In Direct MA
Numerical MA
Checked ✓

- ✓ SECTION 17: SW/4
 - ✓ SECTION 18: N/2 SE/4; SE/4 SE/4; N/2 SW/4 SE/4;
E/2 SE/4 SW/4 SE/4
- Ellis County, Kansas

WHEREAS, the oil and gas lease numbered 1, described in Exhibit "A", as amended, contains a pooling and unitization clause which states:

"Lessee, at his option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas, or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the County in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

WHEREAS, the oil and gas lease, numbered 2, described in Exhibit "A" contains a pooling and unitization clause which states:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas, or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the County in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

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WHEREAS, the undersigned MURFIN, INC. and IMPERIAL AMERICAN OIL

Imperial American Oil Corp.
10004 West 20th Street North
Wichita, Kansas 67212

BOOK 478 PAGE 239

15-051-25016-00-00

CORPORATION Lessees desire to pool and unitize all oil and gas leases described in Exhibit "A", insofar and only insofar as the same cover the following described lands, to-wit:

TOWNSHIP 11 SOUTH, RANGE 19 WEST

SECTION 17: A tract beginning at the Southwest Corner (SW/c) of the Southwest Quarter (SW/4) thence North 1650 feet, thence East 330 feet, thence South 1650 feet, thence West 330 feet to point of beginning, containing 12.5 acres.

SECTION 18: A tract beginning at the Southeast Corner (SE/c) of the Southeast Quarter (SE/4) thence North 1650 feet, thence West 660 feet, thence South 1650 feet, thence East 660 feet to point of beginning, containing 25 acres.

said lands, containing thirty seven and one-half (37.5) acres, more or less, now being identified as "THE POOLED AND UNITIZED AREA" for production of oil and associated hydrocarbons from all zones and formations.

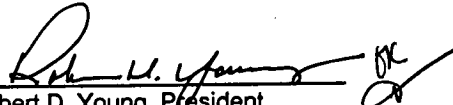
NOW THEREFORE, the undersigned, MURFIN, INC. and IMPERIAL AMERICAN OIL CORPORATION, do hereby pool and unitize the above described lands into one pooled and unitized area, containing thirty seven and one-half (37.5) acres, provided that said pooling and unitization is limited to production of oil and associated hydrocarbons from all zones and formations.

The royalties accruing from any well located on said unit shall be prorated and paid to lessors of the various tracts included in the POOLED AND UNITIZED AREA in the same proportion that each tract of said lessor bears to the total of the POOLED AND UNITIZED AREA.

This instrument may be executed in any number of counterparts, each which shall be considered an original for all purposes.

IN WITNESS WHEREOF, this DECLARATION OF POOLING AND UNITIZATION, was executed this 22nd day of November, 1999.

MURFIN, INC.


Robert D. Young, President

IMPERIAL AMERICAN OIL CORPORATION


Hal C. Porter, President

15-051-25016-00-00
12-3-1999
REGISTRATION
JASAS (S) 2000

15-051-25016-00-00

EXHIBIT "A"
attached to and made a part of that certain
Declaration of Pooling and Unitization
by
Murfin, Inc.
and
Imperial American Oil Corporation

LEASE #1

LESSOR: Augusta Wilhelmina Giinther, a widow

LESSEE: Albert M. Austin

LEASE DATE: February 21, 1950

DESCRIPTION: Township 11 South, Range 19 West ✓

Section 17: SW/4 and other lands

Ellis County, Kansas

RECORDING DATA: Book 87, Page 487

LEASE #2

LESSOR: Vada Belle Goymerac and Nick Goymerac

LESSEE: J. Fred Hambright

LEASE DATE: January 24, 1997

DESCRIPTION: Township 11 South, Range 19 West

Section 18: SE/4

Ellis County, Kansas

RECORDING DATA: Book 421, Page 270

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SECTION E/2 8 & W/2 7 TOWNSHIP 11S RANGE 19W COUNTY ELLIS STATE KS

